

Well, it's time for true change. Let's get what we should have and not what people talk about.

CONSIDER THE FAIR TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. STEARNS) is recognized for 5 minutes.

Mr. STEARNS. I'm here to support the Fair Tax. The current U.S. Tax Code is too big, too complicated, and benefits too many special interests, and must be replaced with a code that is fair and encourages savings and investment.

This code has been amended tens of thousands of times, my colleagues, and it's grown to over 60,000 pages, possibly more. For this, and many other reasons, I rise in support of the Fair Tax and urge my colleagues to consider this new tax simplification program.

The Fair Tax will eliminate Federal income taxes, corporate income taxes, payroll taxes, capital gains taxes, the alternative minimum tax, and the death tax, and replace it with a flat, simple and efficient consumption tax.

Mr. Speaker, Ronald Reagan hit the nail on the head when he described the government's basic view of the economy as: "If it moves, tax it. If it keeps moving, regulate it. If it stops moving, subsidize it."

Unfortunately, Mr. Speaker, this burdensome view taken by our government has resulted in the current problem we face today, where citizens and business owners across this country devote billions of hours and billions of tax dollars just to navigate the process of paying their Federal income tax.

A simpler Tax Code may have prevented former Senator Daschle or current Secretary of the Treasury Geithner the embarrassment of having to explain their failure to properly pay the taxes due to the complicated IRS tax system.

I know many of my constituents in the Sixth Congressional District are aware of how this simple tax reform will work when implemented. They have written numerous letters to me and voiced their support at many town meetings.

I thought I'd take a moment this afternoon to lay out the basic principles of this legislation for those who are not familiar with the Fair Tax.

The Fair Tax will do away with all Federal taxes such as income tax, the death tax, as I mentioned, all the way down to the estate tax. Basically, many Americans with low incomes will receive a check at the beginning of each month from the Federal Government that will cover the cost of the consumption tax on necessary goods, thus increasing the purchasing power of low-income individuals and completely avoiding any unintended tax increase on their purchasing power.

Furthermore, a study conducted by Harvard economist Dale Jorgenson illustrates that roughly 22 percent of the

retail price of an item is the direct result of the cost our current Tax Code places on a product through payroll taxes, business taxes, business taxes, compliance costs, and other taxes.

Therefore, by paying an additional consumption tax, we will be able to fund our entire government, and the taxpayer can keep 100 percent of his hard-earned paycheck. This would lead to increased savings, increased investment, and Americans, not the Federal Government, would decide how to best utilize their wealth.

In addition, Mr. Speaker, the Fair Tax, through its simplicity, will provide transparency to the Federal budget and Federal spending here in Congress. Each time the government claims a needed tax increase to fund runaway spending, as we do, and government expansion, or special district funding requests, the American citizen would be directly affected by this irresponsibility and would be aware of it immediately through the transparency of the Fair Tax system instead of hidden tax increases and budget gimmicks that our government institutes today.

□ 1630

So now, my colleagues, it is time to get rid of this complicated, inefficient, and unfair tax. Now is the time to institute transparency, efficiency, and, finally, fairness in our Tax Code.

Now, for those of us in Congress and perhaps throughout the Nation who are skeptical, I have a suggestion for them, an approach that I think would be possible. Why not take Washington, D.C. as a demonstration project to see if it would work here in Washington, D.C.; allow all residents of this city to pay no Federal taxes, and institute a fair consumption tax, and this consumption tax would be collected by the city and then sent to the Federal Government. Then we could see how it would work and discern its advantages and disadvantages.

The Fair Tax I think ultimately would prove to be very useful, and I urge my colleagues to stand for real change and support this fair solution.

H. RES. 251

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. LATOURETTE) is recognized for 5 minutes.

Mr. LATOURETTE. Mr. Speaker, I rise today to share with you and Members of the House the introduction of a resolution of inquiry regarding the payment of executive bonuses to employees of American International Group, AIG. It is H. Res. 251.

Mr. Speaker, my constituents and I, as well as many Americans across the country, are outraged at the unfurling of events surrounding this freewheeling company which helped to lead us into the financial disaster we now face.

To make matters worse, we find out this week that the administration was fully aware of the March 15 payment of

\$165 million in executive or retention bonuses for many months. Even more troubling is the fact that the one person who was in the dark about the pending bonuses, until last week no less, was our very own Secretary of the Treasury who was supposed to be masterminding our economic recovery and banking recovery.

It is clear from the media reports that AIG did not award these bonuses as a snub to the administration, but instead waited until they had the blessing of the Secretary of Treasury, who apparently believes he did his due diligence by berating AIG and then saying that there was nothing that he could do to stop the bonuses.

The fact that we are rewarding the very people who caused the largest corporate loss in history is astounding. Just recently, the Attorney General of New York has indicated that at least 73 AIG employees received bonuses in excess of more than \$1 million, including nearly one dozen AIG employees who no longer work for the beleaguered firm.

Mr. Speaker, there are millions of Americans who have lost their jobs during this economic crisis, and most did their jobs well with great purpose and performance. There are no bonuses for them. Instead, they risk losing their homes, health care, and more. Meanwhile, AIG employees who engaged in risky, perilous behavior that brought our economy to the brink of collapse are rewarded.

There is a great deal of finger-pointing about how we got into this mess and what Congress and the administration is doing. Let me state just a few facts.

Since the beginning of this Congress, which is about 2½ months old now, only eight bills have been signed into law; and this week is like many others in the House, virtually no substantive legislative activity. This House, within 8 days of one person being attacked in Connecticut by a chimpanzee, rushed through legislation to make it harder to own chimpanzees. Mr. Speaker, where are our priorities? Here we sit, wringing our hands over how to curb bailout abuses, and what have we done to date to show for it?

Today, again, the House was deeply contemplating a series of non-controversial bills under suspension, including two measures naming post offices, and approving a bill supporting Professional Social Worker Month. I like social workers, Mr. Speaker, but who in their right mind thinks that that should be a priority today or this week while the Nation is roiled in anger over these bonuses? We might as well tackle more chimp or monkey legislation.

Mr. Speaker, based upon the Nation's unemployment rate, which hit a new high of 8.1 percent in February, that translates into 16 Americans losing their job every minute. Americans are struggling to keep their homes. Two

hundred seventy-five thousand foreclosure filings were reported in January, with one home in every 440 receiving a foreclosure filing in February. This year, the stock market has plunged 1,750 points and is at its lowest rate since 1997. Millions of Americans continue to lose their retirement security. To date, AIG has received \$200 billion in taxpayers' funds to keep the company afloat and recently suffered the largest quarterly loss of any corporation in American history.

Mr. Speaker, Americans are hurting. We cannot sit by and watch as AIG executives not only keep their jobs but are also rewarded for their actions.

Further, the administration needs to come clean on its discussions with AIG and approving these bonuses. Therefore, today I have introduced a resolution requiring the Secretary of the Treasury to transmit to Congress all communications relating to AIG and its approval of these executive bonuses as well as the use of Federal infusion of taxpayer money. Americans deserve to know the full story, and this Congress must act to get it now.

The excuses on television are, "Well, these are contracts. We can't mess with contract law." Mr. Speaker, recently we have told the Big Three auto makers that if they want Federal Government assistance, they have to cram down the people that work in their auto factories. Those are contracts. Recently, the House has passed legislation on mortgage relief that says that even though a bank gave you \$100,000 to buy a house, if you got that house under false circumstances, we have to cram down how much you owe the bank. That is certainly contract law as well.

The notion that it is an excuse that somehow these contracts were entered into and we must honor them, and we have to pay \$165 million to 73 people, is an abomination. We need to stop it. And I am asking for every Member of this House to cosponsor the resolution.

THE PARTY OF "OWE"

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 2009, the gentleman from Iowa (Mr. KING) is recognized for 60 minutes as the designee of the minority leader.

Mr. KING of Iowa. Mr. Speaker, again, it is a privilege to address you here on the floor of the United States House of Representatives, and also to have the chance to lay out here before you and our colleagues and ultimately the American people a point on the cause that we are involved in.

We have dealt with crisis after crisis here on the floor of Congress, and I look back at many of the things that have taken place historically here, and I could list them long. But I will say that I think the most colossal mistake that this Congress ever made was passing the President's Stimulus Act.

I think we have a budget hanging out today that may be a more colossal

error. In fact, this budget that lays in front of us, President Obama's budget, spends too much, taxes too much, borrows too much. And what it turns into is their party, that side of the aisle, Mr. Speaker, has become the Party of Owe, the party of debt, the party of borrow. Not the party of "no," the party of "owe." They can't say "no" to anything; they just want to owe everything and everybody, even to the extent where this budget projects out by CBO to go to 200 percent deficit of GDP. Unheard of. The highest we have ever had in history was 1945, the end of World War II. Now, the President's budget takes this to that place.

This takes us to, in the middle of this economic crisis where we have seen the equity and the stock market drop by a huge percentage, by one-third or 40 percent or, in many cases, even more. It takes us to this point where the President said to us that he believes that FDR's New Deal actually would have worked, it actually was working, and that he just simply lost his nerve and didn't spend enough money. Can you imagine?

When he said that to us back in, I think, early February, I didn't think he was completely serious about having more commitment to spending a massively larger amount of money than FDR did in the New Deal.

But history hasn't served us very well in the way they reported the New Deal, because a lot of young people for two generations have been taught that the New Deal was a good deal and it got us out of the Depression.

Mr. Speaker, by the time the stock market got back to where it was in October of 1929, Franklin Delano Roosevelt had been dead for 9 years; we had fought two wars, World War II and Korea, and finally in 1954 the markets got to where they were in 1929.

There is no way that a logical objective historian can say that the Keynesian idea of borrowing and spending was a good deal when it was the New Deal. Nor is there any model in history that says that the new New Deal, the Obama Uber New New Deal, would be as good a deal as the bad old deal or a better deal than the old New Deal. This is the new New Deal, it is a bad deal, and Keynesian economics have failed wherever they have been tried.

We need to turn ourselves around to real solutions, Mr. Speaker, real solutions for the American people, real solutions that will take America to the next level of its destiny, not the level down, not in the direction where we put our children and grandchildren and our great grandchildren in debt, not to where little babies born today are looking at thousands of dollars in debt, for every child that is born in America that they are going to have to work off. And we can either print a lot of money and devalue our currency, or we can suppress our economy for generations to come by all of this debt that is on us. And what can transform us as a country? What will ever grow our econ-

omy out of this anchor that we are now dragging? They are going to be pitching more anchors off the side of this great economic ship, of the greatest economic machinery that has ever been built in the United States of America, and our free market system.

But in the bailout bill last fall, we pitched an anchor over the side, and we have been dragging that anchor. And then we have the stimulus plan that is another anchor we pitched over the side that we are dragging along bottom. And we have got the President's budget as another anchor that we are going to have to drag. And, now, they are talking about another stimulus plan. And burden after burden heaped on top of the American people, the free market system cannot sustain this kind of a load. We need to do something transformative.

The transformative component that I am advocating here tonight is the one that Mr. STEARNS of Florida advocated a little bit earlier, Mr. Speaker. And I'll take you this way on the fair tax, and that is this:

I was audited one too many years in a row early on when I first started my construction business. The IRS showed up every year for a while, and they decided they were going to justify their existence by milking the little bit of blood that there was out of this fledgling turnip of a company that King Construction was back in those years. And after they audited me one too many years in a row and I shut the doors on my business for 4 days so that I could be there and personally hand them the documents and justify the expenses, so that I could minimize the loss that was going to come to me from the IRS, because I had experience with that, and it cost me money, and I had to make a calculation on whether I was going to—I believe I did everything right. And I had to make a calculation on whether I was going to stand on principle and go and fight the IRS, in which case it was almost inevitable that I would lose my business in the process, because I couldn't afford to be away from my business and still keep it going. Or, borrow the money to pay the IRS a bill that I still don't believe that I owed in order to be able to keep operating.

Well, that was one of the times when I didn't commit suicide on principle for the business, but I borrowed the money, paid the IRS. And then I went out and climbed in the seat of one of my bulldozers, and the smoke went up out of the exhaust stack, and it went out of my ears. And I began to think, what is the IRS doing in my office? Why are they impeding my production? Why are they making Monday morning quarterback decisions on me and my life when I am doing the best I can to comply with the laws that are passed by Congress? Well, I didn't know then that it was impossible for the new head of the IRS to figure out the Tax Code.

So, Mr. Speaker, when Timothy Geithner can't figure it out even with Turbo Tax, and if Tom Daschle can't